

# House File 2481 - Introduced

HOUSE FILE 2481

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2438)

(SUCCESSOR TO HSB 647)

## A BILL FOR

1 An Act relating to school funding by modifying provisions  
2 relating to the collection of sales tax for deposit in the  
3 secure an advanced vision for education fund, provisions  
4 relating to the use of tax revenue from the secure an  
5 advanced vision for education fund, and provisions relating  
6 to the calculation of adjusted additional property tax levy  
7 aid, and making appropriations.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 257.15, subsection 4, paragraph b, Code  
2 2018, is amended to read as follows:

3 b. After lowering all school district adjusted additional  
4 property tax levy rates to the statewide maximum adjusted  
5 additional property tax levy rate under paragraph "a", the  
6 department of management shall use any remaining funds at the  
7 end of the calendar year to further lower additional property  
8 taxes by increasing for the budget year beginning the following  
9 July 1, the state regular program foundation base per pupil  
10 percentage under section 257.1. Moneys used pursuant to this  
11 paragraph shall supplant an equal amount of the appropriation  
12 made from the general fund of the state pursuant to section  
13 257.16 that represents the increase in state foundation aid.  
14 Sec. 2. NEW SECTION. 257.16C Foundation base percentage  
15 fund.

16 1. A foundation base percentage fund is created as a  
17 separate and distinct fund in the state treasury under the  
18 control of the department of management. Moneys in the fund  
19 include revenues credited to the fund, appropriations made to  
20 the fund, and other moneys deposited into the fund.

21 2. There is appropriated annually all moneys in the fund to  
22 the department of management for purposes of further lowering  
23 additional property taxes by increasing for the budget year the  
24 regular program foundation base per pupil percentage pursuant  
25 to section 257.1, but not to exceed one hundred percent. An  
26 increase in the regular program foundation base per pupil  
27 percentage for a budget year shall not apply to any future  
28 budget year.

29 3. Notwithstanding section 8.33, any moneys remaining in  
30 the foundation base percentage fund at the end of a fiscal year  
31 shall not revert to any other fund but shall remain in the  
32 foundation base percentage fund for use as provided in this  
33 section for the following fiscal year.

34 Sec. 3. NEW SECTION. 257.51 Career academy fund — grant  
35 program.

1     1. A career academy fund is created and established as  
2 a separate and distinct fund in the state treasury under the  
3 control of the department.

4     2. *a.* In addition to moneys deposited in the career academy  
5 fund pursuant to section 423F.2, the department may accept  
6 gifts, grants, bequests, and other private contributions, as  
7 well as state or federal funds, and shall deposit the moneys in  
8 the fund to be used for purposes of this section. Moneys in the  
9 fund are appropriated to the department and shall be used for  
10 the purposes of this section.

11    *b.* Notwithstanding section 8.33, moneys in the fund  
12 that remain unencumbered or unobligated at the close of the  
13 fiscal year shall not revert but shall remain available for  
14 expenditure for the purposes of this section in succeeding  
15 fiscal years. Notwithstanding section 12C.7, subsection 2,  
16 interest earned on moneys in the career academy fund shall be  
17 credited to the fund.

18     3. The department shall adopt rules to establish and  
19 administer a career academy grant program to provide for the  
20 allocation of money in the fund in the form of competitive  
21 grants, not to exceed one million dollars per grant, to  
22 school corporations for career academy infrastructure, career  
23 academy equipment, or both, in accordance with the goals of  
24 this section and to further the goals of the establishment  
25 and operation of career academies under section 258.15. The  
26 rules adopted by the department shall specify the eligibility  
27 of applicants and eligible items for grant funding. Priority  
28 for grants shall first be given to applications to establish  
29 new career academies that are organized as regional career  
30 and technical education planning partnerships pursuant to  
31 section 258.14 with three or more school districts. Subsequent  
32 priority shall be given to applications for expanding and  
33 updating existing facilities and infrastructure to serve as  
34 career academies.

35     Sec. 4. Section 423.2, subsection 11, paragraph b,

1 subparagraph (3), Code 2018, is amended to read as follows:

2 (3) Transfer one-sixth of the remaining revenues to the  
3 secure an advanced vision for education fund created in section  
4 423F.2. This subparagraph (3) is repealed ~~December 31, 2029~~  
5 January 1, 2050.

6 Sec. 5. Section 423.2, subsection 14, Code 2018, is amended  
7 to read as follows:

8 14. The sales tax rate of six percent is reduced to five  
9 percent on January 1, ~~2030~~ 2050.

10 Sec. 6. Section 423.5, subsection 5, Code 2018, is amended  
11 to read as follows:

12 5. The use tax rate of six percent is reduced to five  
13 percent on January 1, ~~2030~~ 2050.

14 Sec. 7. Section 423.43, subsection 1, paragraph b, Code  
15 2018, is amended to read as follows:

16 b. Subsequent to the deposit into the general fund of  
17 the state and after the transfer of such revenues collected  
18 under [chapter 423B](#), the department shall transfer one-sixth of  
19 such remaining revenues to the secure an advanced vision for  
20 education fund created in [section 423F.2](#). This paragraph is  
21 repealed ~~December 31, 2029~~ January 1, 2050.

22 Sec. 8. Section 423F.2, subsection 3, Code 2018, is amended  
23 to read as follows:

24 3. a. The moneys available in a fiscal year in the secure  
25 an advanced vision for education fund shall be distributed by  
26 the department of revenue to each school district on a per  
27 pupil basis calculated using each school district's budget  
28 enrollment, as defined in [section 257.6](#), for that fiscal year.

29 b. (1) Prior to distribution of moneys in the secure an  
30 advanced vision for education fund to school districts, ~~two~~  
31 ~~and one-tenths percent of the moneys available in a~~ an amount  
32 equal to the equity transfer amount for the fiscal year minus  
33 the foundation base transfer amount for the fiscal year shall  
34 be distributed and credited to the property tax equity and  
35 relief fund created in section 257.16A, an amount equal to

1 the foundation base transfer amount shall be distributed and  
2 credited to the foundation base percentage fund created in  
3 section 257.16C, and an amount equal to the career academy  
4 transfer amount for the fiscal year shall be distributed and  
5 credited to the career academy fund created in section 257.51.

6 (2) For purposes of this subsection, the equity transfer  
7 amount is determined by multiplying the equity transfer  
8 percentage by the amount of moneys available in the secure an  
9 advanced vision for education fund in the fiscal year.

10 (a) For the fiscal year beginning July 1, 2017, the equity  
11 transfer percentage is two and one-tenths percent.

12 (b) For each fiscal year beginning on or after July 1, 2018,  
13 the equity transfer percentage is equal to the equity transfer  
14 percentage for the immediately preceding fiscal year, unless  
15 the amount of moneys available in the secure an advanced vision  
16 for education fund in the fiscal year equals or exceeds one  
17 hundred two percent of the amount of moneys available in the  
18 fund for the immediately preceding fiscal year, in which case  
19 the equity transfer percentage shall be the equity transfer  
20 percentage for the immediately preceding fiscal year plus one  
21 percent subject to the limitation in subparagraph division (c).

22 (c) If the equity transfer percentage calculated under  
23 subparagraph division (b) exceeds twelve percent, the equity  
24 transfer percentage for that fiscal year shall be twelve  
25 percent.

26 (3) For purposes of this subsection, the foundation  
27 base transfer amount equals the equity transfer amount for  
28 the fiscal year under subparagraph (2) minus the sum of the  
29 following:

30 (a) Two and one-tenths percent of the amount of the moneys  
31 available in the secure an advanced vision for education fund  
32 in the fiscal year.

33 (b) Two-thirds of the product of the equity transfer  
34 percentage for the fiscal year minus two and one-tenths percent  
35 multiplied by the moneys available in the secure an advanced

1 vision for education fund in the fiscal year.

2     (4) (a) For purposes of this subsection, the career academy  
3 transfer amount for the fiscal year beginning July 1, 2018, is  
4 one million dollars.

5     (b) For each fiscal year beginning on or after July 1,  
6 2019, the career academy transfer amount is equal to the lesser  
7 of five million dollars or the amount of the career academy  
8 transfer amount for the immediately preceding fiscal year,  
9 unless the amount of moneys available in the secure an advanced  
10 vision for education fund in the fiscal year equals or exceeds  
11 one hundred two and one-half percent of the amount of moneys  
12 available in the fund for the immediately preceding fiscal  
13 year, in which case the career academy transfer amount equals  
14 the lesser of five million dollars or the sum of the amount  
15 of the career academy transfer amount for the immediately  
16 preceding fiscal year plus one-half percent of the amount of  
17 moneys available in the secure an advanced vision for education  
18 fund in the fiscal year following the deposit of revenues in  
19 the property tax equity and relief fund and the foundation base  
20 percentage fund.

21     Sec. 9. Section 423F.3, subsection 3, paragraph b, Code  
22 2018, is amended to read as follows:

23     b. (1) If the board of directors intends to use funds for  
24 purposes other than those listed in paragraph "a", or change the  
25 use of funds to purposes other than those listed in paragraph  
26 "a", the board shall adopt a revenue purpose statement or amend  
27 an existing revenue purpose statement, subject to approval of  
28 the electors, listing the proposed use of the funds. School  
29 ~~districts shall submit the statement to the voters no later~~  
30 ~~than sixty days prior to the expiration of any existing revenue~~  
31 ~~purpose statement or change in use not included in the existing~~  
32 ~~revenue purpose statement.~~

33     (2) (a) Notwithstanding any provision of law to the  
34 contrary, for each school district with an existing revenue  
35 purpose statement for the use of revenues from the secure an

1 advanced vision for education fund adopted under this paragraph  
 2 or adopted under another provision of law before July 1,  
 3 2018, such revenue purpose statement shall terminate and be  
 4 of no further force and effect on January 1, 2030, or the  
 5 expiration date of the revenue purpose statement, whichever is  
 6 earlier. If such a school district intends to use funds for  
 7 purposes other than those listed in paragraph "a" and does not  
 8 intend to operate without a revenue purpose statement on or  
 9 after January 1, 2030, or the expiration date of the revenue  
 10 purpose statement, whichever is earlier, the board of directors  
 11 shall submit a revenue purpose statement for approval by the  
 12 electors under subparagraph (1) on or after July 1, 2018,  
 13 and such revenue purpose statement submitted to the electors  
 14 shall include all proposed uses including those previously  
 15 approved by the electors, if applicable. The following, in  
 16 substantially the following form, shall be included in the  
 17 notice of the election published under paragraph "d" and  
 18 published on the school district's internet site:

19 If a majority of eligible electors voting on the question  
 20 fail to approve this revenue purpose statement, revenues  
 21 received by the school district from the secure an advanced  
 22 vision for education fund shall first be expended for . . . .  
 23 (State the purposes in the order listed in subsection 1 and as  
 24 required by subsection 4 of this section for which the revenues  
 25 received by the school district under this chapter will be  
 26 expended.)

27 (b) Unless a new revenue purpose statement is adopted by  
 28 the electors, the existing revenue purpose statement remains  
 29 in effect until January 1, 2030, or the expiration date of the  
 30 revenue purpose statement, whichever is earlier. If a revenue  
 31 purpose statement is terminated under the provisions of this  
 32 subparagraph, such termination shall not affect the validity  
 33 of or a first lien on bonds issued under section 423E.5, Code  
 34 2018, or section 423F.5 prior to the date the revenue purpose  
 35 statement is terminated under subparagraph division (a), or

1 the validity of a contract or other obligation of the school  
2 district secured in whole or in part by or requiring the  
3 payment of funds received under this chapter in effect prior  
4 to the date the revenue purpose statement is terminated under  
5 subparagraph division (a).

6 Sec. 10. Section 423F.3, subsection 5, paragraph b, Code  
7 2018, is amended to read as follows:

8 *b.* The ~~infeasibility~~ cost-benefit analysis of remodeling,  
9 reconstructing, or repairing existing buildings.

10 Sec. 11. Section 423F.3, subsection 5, Code 2018, is amended  
11 by adding the following new paragraph:

12 NEW PARAGRAPH. *i.* Benefits and effects of the new  
13 construction on student learning.

14 Sec. 12. Section 423F.3, Code 2018, is amended by adding the  
15 following new subsection:

16 NEW SUBSECTION. 6A. *a.* Prior to approving the use  
17 of revenues received under this chapter for an athletic  
18 facility infrastructure project within the scope of the  
19 school district's approved revenue purpose statement or  
20 pursuant to subsection 4 for a school district without an  
21 approved revenue statement, the board of directors shall adopt  
22 a resolution setting forth the proposal for the athletic  
23 facility infrastructure project and hold an additional public  
24 hearing on the issue of construction of the athletic facility.  
25 Notice of the time and place of the public hearing shall be  
26 published not less than ten nor more than twenty days before  
27 the public hearing in a newspaper which is a newspaper of  
28 general circulation in the school district. If at any time  
29 prior to the fifteenth day following the hearing, the secretary  
30 of the board of directors receives a petition containing the  
31 required number of signatures and asking that the question  
32 of the approval of the use of revenues for the athletic  
33 facility infrastructure project be submitted to the voters  
34 of the school district, the board of directors shall either  
35 rescind the board's resolution for the use of revenues for



1 the athletic facility infrastructure project or direct the  
2 county commissioner of elections to submit the question to the  
3 registered voters of the school district at an election held  
4 on a date specified in section 39.2, subsection 4, paragraph  
5 "c". The petition must be signed by eligible electors equal  
6 in number to not less than one hundred or thirty percent of  
7 the number of voters at the last preceding election of school  
8 officials under section 277.1, whichever is greater. If a  
9 majority of those voting on the question favors the use of the  
10 revenues for the athletic facility infrastructure project, the  
11 board shall be authorized to approve such use by resolution of  
12 the board. If a majority of those voting on the question does  
13 not favor the use of the revenues for the athletic facility  
14 infrastructure project, the board of directors shall rescind  
15 the board's resolution for the use of revenues for the athletic  
16 facility infrastructure project. If a petition is not received  
17 by the board of directors within the prescribed time period,  
18 the board of directors may approve the use of revenues for  
19 the athletic facility infrastructure project without voter  
20 approval.

21     **b.** After fourteen days from the date of the hearing under  
22 paragraph "a" or fourteen days after the date of the election  
23 held under paragraph "a", if applicable, whichever is later, an  
24 action shall not be brought questioning the board of directors'  
25 authority to use funds for the athletic facility infrastructure  
26 project or questioning the legality of any proceedings in  
27 connection with the authorization of such use.

28     **c.** For purposes of this subsection:

29         (1) "*Athletic facility*" means a building or structure, or  
30 portion thereof, that is not physically attached to a student  
31 attendance center.

32         (2) "*Athletic facility infrastructure project*" means a school  
33 infrastructure project that includes in whole or in part the  
34 construction of an athletic facility.

35         (3) "*Construction*" does not include repair or maintenance

1 of an existing facility.

2 Sec. 13. Section 423F.4, Code 2018, is amended to read as  
3 follows:

4 **423F.4 Borrowing authority for school districts.**

5 1. A Subject to the conditions established under subsection  
6 2, a school district may anticipate its share of the revenues  
7 under section 423F.2 by issuing bonds in the manner provided in  
8 section 423E.5, Code 2018. However, to the extent any school  
9 district has issued bonds anticipating the proceeds of an  
10 extended local sales and services tax for school infrastructure  
11 purposes imposed by a county pursuant to former chapter 423E,  
12 Code and Code Supplement 2007, prior to July 1, 2008, the  
13 pledge of such revenues for the payment of principal and  
14 interest on such bonds shall be replaced by a pledge of its  
15 share of the revenues under section 423F.2.

16 2. a. Bonds issued on or after July 1, 2018, shall not be  
17 sold at public sale as provided in chapter 75, or at a private  
18 sale, without notice and hearing. Notice of the time and place  
19 of the public hearing shall be published not less than ten nor  
20 more than twenty days before the public hearing in a newspaper  
21 which is a newspaper of general circulation in the school  
22 district.

23 b. For bonds subject to the requirements of paragraph  
24 "a", if at any time prior to the fifteenth day following the  
25 hearing, the secretary of the board of directors receives a  
26 petition containing the required number of signatures and  
27 asking that the question of the issuance of such bonds be  
28 submitted to the voters of the school district, the board shall  
29 either rescind its adoption of the resolution or direct the  
30 county commissioner of elections to submit the question to the  
31 registered voters of the school district at an election held  
32 on a date specified in section 39.2, subsection 4, paragraph  
33 "c". The petition must be signed by eligible electors equal  
34 in number to not less than one hundred or thirty percent of  
35 the number of voters at the last preceding election of school

1 officials under section 277.1, whichever is greater. If the  
2 board submits the question at an election and a majority of  
3 those voting on the question favors issuance of the bonds, the  
4 board shall be authorized to issue the bonds.

5 c. After fourteen days from the date of the hearing under  
6 paragraph "a" or fourteen days after the date of the election  
7 held under paragraph "b", if applicable, whichever is later,  
8 an action shall not be brought questioning the legality of  
9 any bonds or the power of the authority to issue any bonds  
10 or to the legality of any proceedings in connection with the  
11 authorization or issuance of the bonds.

12 Sec. 14. Section 423F.6, Code 2018, is amended to read as  
13 follows:

14 **423F.6 Repeal.**

15 This chapter is repealed ~~December 31, 2029~~ January 1, 2050.

16 Sec. 15. STATE MANDATE FUNDING SPECIFIED. In accordance  
17 with section 25B.2, subsection 3, the state cost of requiring  
18 compliance with any state mandate included in this Act shall  
19 be paid by a school district from state school foundation aid  
20 received by the school district under section 257.16. This  
21 specification of the payment of the state cost shall be deemed  
22 to meet all of the state funding-related requirements of  
23 section 25B.2, subsection 3, and no additional state funding  
24 shall be necessary for the full implementation of this Act  
25 by and enforcement of this Act against all affected school  
26 districts.

27 **EXPLANATION**

28 The inclusion of this explanation does not constitute agreement with  
29 the explanation's substance by the members of the general assembly.

30 Code section 423.2 imposes a state tax of 6 percent upon  
31 the sales price of all sales of tangible personal property,  
32 consisting of goods, wares, merchandise, and other items  
33 designated by statute, sold at retail in the state to consumers  
34 or users, except as otherwise provided by Code chapter 423.  
35 Generally, by operation of law, a sale subject to the sales

1 tax is also subject to the use tax. Following the transfer  
2 of amounts required by statute, if applicable, one-sixth of  
3 the remaining state sales tax revenue from the 6 percent tax  
4 is transferred to the secure an advanced vision for education  
5 (SAVE) fund created in Code section 423F.2. Moneys in the SAVE  
6 fund are allocated to school districts on a per pupil basis to  
7 be used for infrastructure and property tax reduction purposes  
8 specified in Code chapter 423F. Under current law, the sales  
9 tax rate of 6 percent is reduced to 5 percent on January 1,  
10 2030, and Code chapter 423F, along with other corresponding  
11 provisions, is repealed December 31, 2029.

12 This bill extends the 6 percent sales tax rate, the  
13 allocation to the SAVE fund, and the statutory repeal of Code  
14 chapter 423F until January 1, 2050.

15 Code section 423F.2 provides that prior to distribution of  
16 SAVE revenues to school districts, 2.1 percent of the moneys  
17 available in the SAVE fund are distributed and credited to  
18 the property tax equity and relief (PTER) fund to be used for  
19 additional property tax levy aid. The bill provides that for  
20 each fiscal year beginning on or after July 1, 2018, the equity  
21 transfer amount, as created in the bill, is distributed and  
22 credited to the PTER fund and foundation base percentage fund  
23 in amounts specified in the bill. The bill creates the equity  
24 transfer percentage, which is used to determine the amount of  
25 the equity transfer amount, and is equal to the equity transfer  
26 percentage for the immediately preceding fiscal year, unless  
27 the amount of money available in the SAVE fund in the fiscal  
28 year is equal to or exceeds 102 percent of the amount of money  
29 available in the SAVE fund for the immediately preceding fiscal  
30 year, in which case the equity transfer percentage shall be the  
31 equity transfer percentage for the immediately preceding fiscal  
32 year plus 1 percent. However, the bill caps the percentage at  
33 12 percent. The equity transfer percentage for the fiscal year  
34 beginning July 1, 2017, is 2.1 percent. The amount required to  
35 be transferred from the SAVE fund to the PTER fund is equal to

1 the equity transfer amount minus the foundation base transfer  
2 amount.

3 The bill also establishes a foundation base transfer amount  
4 that equals the equity transfer amount minus the sum of 2.1  
5 percent of the amount of the moneys available in the SAVE fund  
6 in the fiscal year plus two-thirds of the product of the equity  
7 transfer percentage minus 2.1 percent multiplied by the moneys  
8 available in the SAVE fund in the fiscal year. An amount equal  
9 to the foundation base transfer amount is credited to the  
10 foundation base percentage fund to be used by the department of  
11 management for purposes of further lowering additional property  
12 taxes by increasing for the budget year the regular program  
13 foundation base per pupil percentage, but not to exceed 100  
14 percent. An increase in the regular program foundation base  
15 per pupil percentage for a budget year shall not apply to any  
16 future budget year.

17 The bill establishes a career academy transfer amount that  
18 for the fiscal year beginning July 1, 2018, is \$1 million. For  
19 each fiscal year beginning on or after July 1, 2019, the career  
20 academy transfer amount is equal to the lesser of \$5 million  
21 or the amount of the career academy transfer amount for the  
22 immediately preceding fiscal year, unless the amount of moneys  
23 available in the SAVE fund in the fiscal year equals or exceeds  
24 102.5 percent of the amount of moneys available in the fund for  
25 the immediately preceding fiscal year, in which case the career  
26 academy transfer amount equals the lesser of \$5 million or the  
27 sum of the amount of the career academy transfer amount for  
28 the immediately preceding fiscal year plus 0.5 percent of the  
29 amount of moneys available in the SAVE fund in the fiscal year  
30 following the deposit of revenues in the property tax equity  
31 and relief fund and the foundation base percentage fund.

32 An amount equal to the career academy transfer amount  
33 is credited to the career academy fund to be used by the  
34 department of education for purposes of providing competitive  
35 grants, not to exceed \$1 million per grant, to school districts

1 for career academy infrastructure, career academy equipment, or  
2 both, in accordance with the bill and to further the goals of  
3 the establishment and operation of career academies under Code  
4 section 258.15.

5 Under the bill, existing revenue purpose statements for the  
6 use of SAVE fund revenues adopted before July 1, 2018, shall  
7 terminate and be of no further force and effect on January 1,  
8 2030, or the expiration date of the revenue purpose statement,  
9 whichever is earlier. If a school district intends to use  
10 SAVE fund revenues for purposes other than those which can  
11 be approved by the school board alone and does not intend to  
12 operate without a revenue purpose statement on or after January  
13 1, 2030, or the expiration of the revenue purpose statement,  
14 whichever is earlier, the school board must submit a revenue  
15 purpose statement for approval by the electors on or after  
16 July 1, 2018, and such revenue purpose statement submitted to  
17 the electors shall include all proposed uses including those  
18 previously approved by the electors, if applicable. The bill  
19 specifies that if a revenue purpose statement is terminated  
20 under the provisions of the bill, such termination shall  
21 not affect the validity of or a first lien on bonds issued  
22 under Code sections 423E.5 and 423F.5 prior to the date of  
23 termination, or the validity of a contract or other obligation  
24 of the school district secured in whole or in part by or  
25 requiring the payment of SAVE revenues in effect prior to the  
26 date of termination.

27 The bill provides that prior to approving the use of SAVE  
28 revenues for an athletic facility infrastructure project  
29 that is defined in the bill to mean a school infrastructure  
30 project that includes in whole or in part, the construction  
31 of an athletic facility, the board of directors must first  
32 hold an additional public hearing on the issue of the athletic  
33 facility. The bill defines "athletic facility" to mean  
34 a building or structure, or portion thereof, that is not  
35 physically attached to a student attendance center. If at any

1 time prior to the 15th day following the hearing, the secretary  
2 of the board of directors receives a petition containing the  
3 required number of signatures and asking that the question of  
4 the approval of the use of revenues for the athletic facility  
5 infrastructure project be submitted to the voters of the school  
6 district, the board of directors shall either rescind the  
7 resolution for use of SAVE revenues for the athletic facility  
8 infrastructure project or direct the county commissioner of  
9 elections to submit the question to the registered voters of  
10 the school district. If a majority of those voting on the  
11 question favors the use of the SAVE revenues for the athletic  
12 facility infrastructure project, the board shall be authorized  
13 to approve such use by resolution of the board. If a majority  
14 of those voting on the question does not favor the use of the  
15 SAVE revenues for the school infrastructure project, the board  
16 of directors shall rescind the board's resolution for use of  
17 SAVE revenues for the athletic facility infrastructure project.  
18 If a petition is not received by the board of directors  
19 within the prescribed time period, the board of directors may  
20 approve the use of SAVE revenues for the athletic facility  
21 infrastructure project without voter approval. The bill also  
22 establishes limitations on the period of time to bring an  
23 action to question the authority to use funds for such purpose  
24 or the legality of any proceedings in connection with the  
25 authorization of such use.

26 Current law authorizes a school district to anticipate  
27 its share of SAVE fund revenues by issuing bonds without  
28 voter approval. The bill provides that revenue bonds issued  
29 on or after July 1, 2018, shall not be sold at public sale  
30 or at a private sale without notice and a public hearing.  
31 Additionally, if at any time prior to the 15th day following  
32 the hearing, the secretary of the board of directors receives  
33 a petition containing the required number of signatures and  
34 asking that the question of the issuance of such bonds be  
35 submitted to the voters of the school district, the school

1 board shall either rescind its adoption of the resolution or  
2 direct the county commissioner of elections to submit the  
3 question to the registered voters of the school district. The  
4 petition must be signed by eligible electors equal in number  
5 to not less than 100 or 30 percent of the number of voters at  
6 the last preceding election of school officials, whichever  
7 is greater. If the school board submits the question at an  
8 election and a majority of those voting on the question favors  
9 issuance of the bonds, the board shall be authorized to issue  
10 the bonds. The bill also places limitations on the period  
11 of time during which an action questioning the legality or  
12 procedural compliance for the issuance of such bonds may be  
13 brought.

14 Currently, a school district with a certified enrollment  
15 of fewer than 250 pupils in the entire district or certified  
16 enrollment of fewer than 100 pupils in high school must apply  
17 to the department of education for a certificate of need  
18 before the school district can expend the supplemental school  
19 infrastructure amount received for new construction or for  
20 payments for bonds issued for new construction against the  
21 supplemental school infrastructure amount. The bill modifies  
22 the criteria to be used by the department of education in  
23 determining whether to issue a certificate of need to include  
24 the cost-benefit analysis of remodeling, reconstructing, or  
25 repairing existing buildings versus new construction and  
26 consideration of the benefit of the new construction on student  
27 learning.

28 The bill may include a state mandate as defined in Code  
29 section 25B.3. The bill requires that the state cost of  
30 any state mandate included in the bill be paid by a school  
31 district from state school foundation aid received by the  
32 school district under Code section 257.16. The specification  
33 is deemed to constitute state compliance with any state mandate  
34 funding-related requirements of Code section 25B.2. The  
35 inclusion of this specification is intended to reinstate the



1 requirement of political subdivisions to comply with any state  
2 mandates included in the bill.